



State of Nevada

Department of Conservation & Natural Resources

Office of the Director

AB 9 Guidance Document

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◆ Program Steps, in Brief

1. Enter into written agreement (Memorandum of Understanding) with the Department of Conservation and Natural Resources. Once approved by all parties
2. On the [form "Work Plan/Original Application"](#), make application to the Department for each project (on a project by project basis). Once approved by all parties
3. Proceed with approved project and start incurring expenditures in accordance with approved budget.

NOTE a: Eligible expenses must be incurred after November 5, 2002.

NOTE b: If match is required by the legislation, match expenses cannot be incurred prior to July 2, 2000.

4. You may apply for reimbursement at any time during the process. Completion of the forms "Outlay Report and Request for Reimbursement and/or Advance" & "Summary of Cash Draws" is required.
5. You may also apply for an advance (see restrictions listed above, or refer to the MOU). Completion of the forms "Outlay Report and Request for Reimbursement and/or Advance" & "Summary of Cash Draws" is required.
6. If an advance is requested, an Outlay Report must be submitted quarterly until the advance is liquidated.
7. By August 15 of each year, or upon project completion, an Annual Status Report (on a project by project basis) must be filed with the Department of Conservation and Natural Resources.

◆ General Requirements

1. Bond proceeds granted under this agreement may be used for any project authorized under the terms of AB 9. The project must have begun on or after July 1, 2000, (the fiscal year in which AB 9 was enacted by the Nevada State Legislature) to be eligible for bond proceeds under this agreement. However, there will be no actual cash reimbursements from bond proceeds for eligible expenses incurred prior to the date of approval of Question 1 by the voters or November 5, 2002. For eligible expenses legitimately incurred between July 1, 2000, and November 5, 2002, the recipient may receive credit against its match requirement, if applicable.
2. Recipients will bear the full responsibility of properly administering funds allocated under AB 9. This responsibility includes complete and accurate accounting of all funds, both bond and matching; ensuring expenditures and procurement activities are in compliance with the enabling legislation, Generally Accepted Accounting Principles, and all other applicable laws and regulations. This requirement also applies to the recipient's contractors and their subcontractors. Project recipients must exercise prudent project management oversight. Prevention of project overruns/shortfalls is the responsibility of each recipient. The State of Nevada, its Department of Conservation and Natural Resources, and the AB 9 program administered under this agreement will not be obligated to supplement project funds, beyond the approved project budget, due to cost overruns, shortfalls, unforeseen circumstances, or any other reason.
3. Applicants for AB 9 bond proceeds must submit a Work Plan and Status Report on the form available on [this website](#); these forms are also available from DCNR Director's Office. The respective forms must contain a brief description of each proposed project by providing the following information:
 - a) Project description
 - b) Brief explanation justifying use and eligibility of AB 9 funds
 - c) Project time schedule, including date project was or will be initiated, and the estimated completion date
 - d) Project budget and schedule of fund requests
 - e) If applicable, identification and demonstration of required match for bond funds.

The referenced [forms](#) must be submitted to DCNR for review in advance of bond proceeds disbursement. The Director of DCNR reserves the right to reject non-conforming applications and to either request clarification of any matter deemed to be non-conforming or require the applicant to resubmit a new application. The Director reserves the right to reject any application for failure of the proposed project to qualify under the general requirements of AB 9.

4. Subsequent changes to an approved project must be documented and submitted to DCNR in advance of implementation. If the change results in a significant project amendment (either in project scope or budget line item/category) it requires submittal of a revised "Work Plan and Status Report" prior to initiation of the change.
5. Total bond allocations available to each recipient are not to exceed the figures in [AB 9](#). Bond amounts allocated to each recipient may be reduced, however, as allowed by section 3 of AB 9. Any adjustment to an applicants' grant will be made on a prorated basis to all recipients.
6. All projects receiving bond funds will post an appropriate sign at the project site acknowledging the funding source.

Requests for Reimbursement/Advances

1. Advances may be requested, but the requested advance amount must be based on realistic expenditure projections as contained in the cash flow projections previously submitted to the State of Nevada, Office of the Treasurer, and must be liquidated within 90 days from receipt. The Director retains discretion to grant advances; recipients requesting an advance should not expect to automatically receive the requested amount.
2. Cash reimbursements to the recipient will be by direct payment to the recipient for eligible expenses incurred after November 5, 2002, but before the recipient has received bond proceeds pursuant to its allocation under AB 9.

3. Advances and cash reimbursements are subject to the following conditions:
 - a) If a recipient requests an advance, the Outlay Report must be submitted on a quarterly basis until all advance amounts are spent
 - b) Requests for reimbursements may not outpace currently available bond proceeds specifically designated for their project(s). Recipients should refer to the cash flow estimate previously provided by recipient to the State of Nevada, Office of the State Treasurer
 - c) Requests for reimbursements/advance may not exceed the total amount approved (bond share) for the project(s)
 - d) Funds will not be disbursed to any entity for the purpose of simply accruing interest
 - e) Recipients should not commingle AB 9 expenditures/funds with non-AB 9 related expenditures and must separately account for these expenditures and revenue sources.
 4. The above policies for cash management apply to not only the primary recipient of the bond funds, but also their contractors and subcontractors.
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◆ **Bond Cash on Hand, Excess Balances**

1. Cash on hand, including amounts received as advances, must be spent within 90 days. The DCNR may require repayment of any unspent advance amount at the end of the 90-day period.
 2. Cash on hand may be subject to arbitrage penalties which recipients will be required to pay from sources other than bond proceeds.
 3. Any interest earned on bond proceeds must be returned to the AB 9 Fund, administered by the DCNR, Carson City, Nevada.
 4. The above policies for cash management apply to not only the primary recipient of the bond funds, but also their contractors and subcontractors.
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◆ **Match (if applicable)**

1. If required by the enabling legislation, recipients must provide evidence of ability to meet, or that they have met, the required match. Match credit will be granted for cash expended, or for the value of services, material or equipment after the project was begun but not prior to July 1, 2000. Match, both as budgeted and as expended, must be approved by DCNR.
 2. Written records must substantiate recipient's match, including but not limited to timesheets, documentation and justification of values utilized for labor, equipment, materials, etc. All accounting documentation must be maintained by the recipient (refer to Section VI - Retention and Record Keeping) and is subject to audit. DCNR reserves the right to request additional documentation from the recipient regarding proffered documentation of match. DCNR reserves the right to reject all or part of any proffered substantiation of a recipient's match.
 3. If a recipient is required to provide a match, eligibility to receive the bond proceeds is contingent upon meeting the appropriate amount of required 50% matching contribution of project related expenditures.
 4. Improperly or insufficiently matched bond payments will be subject to repayment by the recipient (from non-AB 9 sources), in part or in total.
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◆ **Periodic Reporting**

1. Recipients must submit annually a [Work Plan and Status Report](#) to DCNR, which will provide a status of each project along with cumulative expenditures through June 30th. This annual report will also require recipients to provide brief statements that will address any problems encountered, time delays expected, and any adjustment to the completion date.
 2. **These reports will be due to DCNR Director's Office by August 15 of each year that the project is active.**
 3. Supplementation of the annual reporting requirement in this section may be required in accordance with General Requirements set forth above.
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Retention and Record Keeping

1. Recipients agree to maintain all records relevant to its AB 9 project for which funds were allocated in accordance with [NRS chapter 239](#); additionally, recipient must keep records at least six (6) years from the end of the state fiscal year (July-June) in which each project was completed.
 2. If any litigation concerning the project is begun before the expiration of this six (6) year period, the individual file must be retained for six (6) calendar years from the date of resolution of the litigation; and
 3. Before any files are destroyed recipient must contact the DCNR to obtain and verify final disposition instructions. This requirement also applies to the recipient's contractors and any subcontractors.
 4. Examples of records subject to retention provisions are (list is not intended to be all inclusive): all fiscal/accounting records and reports; all drawings, blueprints, renderings, architect and/or engineering reports, financial estimates, fee schedules, site proposals, photos, maps, copies of easements, copies of building permits, copies of inspections, related correspondence; and all procurement activities, including contractors proposals and rates.
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Other

1. Recipient may be subject to audit and must allow access to applicable AB 9 records, if so directed by the State of Nevada. If any audit finding reveals that either an overpayment was made, or ineligible costs were incurred (either match or bond proceeds), the overpayment or the ineligible expense must be repaid to the AB 9 Fund, DCNR, Carson City, Nevada.
2. Recipient agrees to comply with all policies and procedures adopted by the DCNR Director's Office and must submit project and budget information on forms prescribed by the Director's Office and within specified deadlines.
3. Improperly completed forms will not be processed, and will be returned for correction, which may cause delays in processing cash disbursements.
4. It is the policy of the Board of Examiners and the DCNR to restrict contractors, as well as all other recipients of public funds, to the same (or less) travel rates and procedures allowed State employees. This requirement also applies to the recipient's contractors and any subcontractors.
5. Certain disbursements will not be paid unless agreed to in advance. These include:
 - a) Secretarial or word processing services (normal, temporary, or overtime);
 - b) Any other staff charges, such as filing, proofreading, regardless of when incurred;
 - c) Photocopy expenses of more than 15 cents per page;

- d) Photocopy expenses in excess of \$2,000.00 for a single job;
- e) Computer time.

The State will not reimburse expenses for the following:

- a) Local telephone expenses or office supply costs;
- b) The costs of first-class travel;
- c) Indirect and administrative overhead costs such as salaries and benefits.

Definitions

State means: The State of Nevada, its Department of Conservation and Natural Resources (DCNR), its agencies, officers and employees.

Recipient: Those entities which have been allocated funds under authority of Assembly Bill 9 (AB 9), section 2, subsections 1 through 6.

Match: Money and/or value of services, material or equipment that have been or will be expended or utilized directly upon the completion of a covered project. Match is an item that would be an allowable expenditure under the work plan.

Eligible expenses: Expenses that are directly related to the project. Eligible expenses do not include indirect and administrative overhead costs such as salaries and benefits. The Director of DCNR retains the discretion to exclude from reimbursement under this agreement any proffered eligible expenses as an indirect expense.

Cash reimbursement: Direct payment to the recipient in cash for eligible expenses incurred after November 5, 2002.

Bond Cash on Hand: Bond proceeds held, as unexpended, by the recipient during any stage of a covered project.

Work Plan and Status Report: Mandatory form available from DCNR for reporting purposes.

Outlay Report: Mandatory form available from DCNR for reporting purposes.

Total Bond allocation: An amount of money available to the recipient not to exceed the figure allocated to the recipient in AB 9.



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